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EUROPE

1. **FRANCE: Ending of coal strike not in sight**--According to US Embassy Paris, the French Ministry of Interior is not optimistic about prospects for an end to the coal strike, although "roughly two-thirds of the underground miners" are now back at work. The Ministry has reportedly learned that the General Confederation of Labor (CGT) has received enough money from abroad to support the striking miners "for an indefinite period."

(CIA Comment: CIA believes that the CGT will be successful, with the help of foreign funds, in prolonging the current strikes against the production and import of coal, at least until the fate of the Queuille Government is decided.)

NEAR EAST-AFRICA

2. **INDIA: Pakistan to seek UN action against Indian "offensive"**--US Ambassador Lewis in Karachi reports that Pakistan's UN delegation has been instructed to protest to the Security Council against a "major Indian offensive" now taking place in Kashmir. According to Lewis, the Pakistan delegation has been instructed to: (a) present detailed charges that India has violated its agreements with the UN Commission on India and Pakistan by reinforcing its Kashmir contingents and attacking in strength; and (b) emphasize to the Security Council that Pakistan will be compelled to stage an all-out counter-offensive unless immediate steps are taken to halt the Indian drive. According to the US delegation at the UN, the UK Government has, at Pakistan's request, already sent a message of warning to Indian Prime Minister Nehru.

(CIA Comment: CIA considers that even though some reinforcement of India's Kashmir garrisons has taken place, Pakistan's reports of a "major offensive" are probably

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exaggerated. It is unlikely that India would risk setting off an all-out war through such an offensive. In view of Pakistan's exaggerated fears of Indian intentions, however, it is possible that Pakistan might bring on general hostilities by rushing into a "counter-offensive."

FAR EAST

8. CHINA: Communists temporarily halted at Hsueh -- US Embassy Nanking reports that in the initial phase of the battle of Hsueh, the Nationalist forces have successfully resisted the Communist assault. The Embassy indicates that Nationalist Supreme Headquarters is "amazed" by this success, which stemmed largely from the determination of field commanders and troops to fight and from effective tactical support by the Air Forces. The US Military, Naval and Air Attaches in Nanking estimate that there will be a two or three day lull while Communist units re-group and re-equip; the Embassy expresses the view that the Communists may be unable to resume the offensive in the Hsueh area for some weeks and that there may be a stalemate of considerable duration.

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(CIA Comment: CIA believes that the unexpected Nationalist resistance at Hsueh has caused Communist General Chen Yi to revise his plans and withdraw in order to re-group his forces before continuing the battle for Central China. The time required for this maneuver will give the National Government a short respite.)

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